11. **Military.** The permanent lines at Pangode for the 1st Battalion of the Nayar Brigade were completed during the year. Three companies have been formed out of a total of six provided under the scheme.

12. **Forests.** There was no organised scheme of conservancy and reproduction and no laws about reserved forests until about 18 years ago, when the attention of Government was drawn to the advisability of husbanding the resources of the forests. In 1888 a Regulation was passed which provided chiefly for the reservation of the forests. This was replaced in 1893 by a more comprehensive regulation and rules were passed thereunder. The staff was also thoroughly reorganised. During the past year it was found necessary to revise the Forest Rules. Rules were also passed defining the duties of Forest Settlement Officers. A few measures of special relief were adopted during the year.

(1.) Special concessions were granted to hillmen to induce them to settle down in fixed localities and to take to cultivation within specified limits of the reserves, their services being utilised by Government on suitable wages.

(2.) Trees standing on puduval lands were ordered to be paid for at the time of registry, instead of remaining the property of Government under the care of the ryots.

The total area of forests reserved up to the end of last year was 2,154 square miles, and of lands proposed for reservation 239 square miles. The settlement of the Rani Reserve was completed during the past year. The supply of fuel is a subject about which frequent representations have been made by the people to the Government. The area of Fuel Reserves was increased by 76 acres, the total area at the end of the year being 108 acres. A duty of 1 rupee per ton is charged on fuel removed from reserves. In the course of my inspections I received several complaints of the hardships entailed on ryots within the vicinity of Forest Reserves in regard to the difficulty of procuring fuel and timber for agricultural implements. These complaints are under the consideration of the Government.

The revenue derived from the Forest department during the year was Rs. 6 ¾ lakhs and the expenditure Rs. 4 ¾ lakhs.

The past year seems to have been a disastrous one for the cardamom ryots, the crop having declined to 8,268 tulams against 30,776 tulams in the previous year. The price also is reported to be falling. This matter will receive my consideration when I visit the Cardamom Hills.

13. **Tea.** It is satisfactory to note the large increase in the cultivation of tea, the yield in 1903 being nearly 6 million pounds. The prices, however, are reported to have fallen.

On the suggestion of the Government of India this Government has agreed to levy a customs duty of ¼ pie per pound on tea exported by sea from Travancore, and to hand over the amount thus realised, minus the cost of collection, to the Committee established for the promotion of the Tea Industry in India. During the year 1079, 3,80,283 pounds of tea were exported and the cess remitted to the Committee was Rs. 478-13-4.

It is satisfactory to note also that there has been demand for land during the year for the cultivation of new products, namely *Rubber* and superior varieties of *Cotton*.

It is reported that the Kannan Devan Hills Produce Company are about to build an Electric Power Station, utilising the water of the Munnar River to work the machinery in the several tea factories.

14. **Trade and shipping.** The value of the entire external trade was Rs. 3,10,45,112. The exports exceeded the imports by Rs. 94,04,352.

557 ships with an aggregate tonnage of 4,70,972 called at the several ports. The collection of port dues was Rs. 12,875.

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